

**PROPERTY LEASE AGREEMENT
WITH
BOKUM/BURRO ALLEY, LLC**

This Lease Agreement is made and entered into this 1st day of February, 2011 by and between **Bokum/Burro Alley, LLC**, a New Mexico limited liability company, located at 142 West Palace Avenue, Suite 300, Santa Fe, New Mexico, hereinafter referred to as the "Lessor" and **Santa Fe County**, hereinafter referred to as the "Lessee."

In consideration of the covenants and agreements of the Lessee as set forth in this Lease, the Lessor does hereby lease, let and demise unto the Lessee, under the conditions specified below, the property located at 142 West Palace Avenue, Santa Fe, New Mexico, and commonly referred to as the Bokum building ("the Property").

1. Conditions of Lease.

- a. The lease pertains to 13,474 square feet of office space, as that space is designated on the attached floor plan, attached hereto as Exhibit A.
- b. Lessee shall also have use of common areas, including all restrooms, hallways, and stairs.
- c. Lessee shall have exclusive use of thirty-two (32) parking spaces, including eighteen (18) parking spaces at Sandoval Parking Garage, and fourteen (14) parking spaces at the private parking lot on Chappelle Street.
- d. Lessee shall provide janitorial services for the lease property, exclusive of the common areas.
- e. Lessee shall be responsible for all security and telephone, internet and other communication utilities.
- f. Lessor shall be responsible for the payment of all electric, gas, refuse, water and sewer charges.
- g. Lessor shall pay real property taxes, to include any special and general assessments, on the tax parcel containing the Property and against any alterations, additions and improvements thereon.

- 2. Compensation.** The Lessee agrees to pay the Lessor annual rent in the amount of \$16.50 per square foot. The Lessee will pay the rental cost in monthly installments of \$18,526.75 due and payable on the first day of each month.

- 3. Insurance.** Lessee shall secure liability insurance for its activities on the Property. Lessor shall provide fire and extended coverage insurance on the Property and all alterations, additions and improvements thereto.

4. **Term of Lease.** The Lessor agrees to lease the Property to the Lessee, under the conditions specified in Section 1 of this Property Lease Agreement, for a period of twelve months, commencing on March 1, 2011 and continuing until February 28, 2012. Lessee shall have the option of extending this lease for two additional twelve month terms which extensions shall be effective upon Lessee mailing Lessor written notice of its election to extend the lease for an additional twelve months, on or before December 31, 2011 and again on or before December 31, 2012. If the first extension option is implemented by Lessee, the lease term will be extended through February 28, 2013. If the second extension option is implemented by Lessee the lease will terminate at midnight on February 28, 2014.
5. **Appropriations and Authorizations.** This Lease is contingent upon sufficient appropriations and authorizations being made for performance of this Lease by the Board of County Commissioners of Lessee and/or, if state funds are involved, the Legislature of the State of New Mexico. If sufficient appropriations and authorizations are not made in this or future fiscal years, this Lease shall terminate upon written notice by Lessee to Lessor. Such termination shall be without penalty to Lessee, and Lessee shall have no duty to reimburse Lessor for expenditures made in performance of this Lease. Lessee is expressly not committed to expenditure of any funds until such time as they are programmed, budgeted, encumbered and provided for expenditure by Lessee. The Lessee's decision as to whether sufficient appropriations and authorizations have been made for the fulfillment of this Agreement shall be final and not subject to challenge by Lessor in any way or forum, including a lawsuit.
6. **Condition of Property, Maintenance and Repairs.**
 - a. Lessee accepts the Property in its present state and agrees that it is in good condition, without any representation or warranty by Lessor as to the condition of the Property or as to the use, which may be made thereof.
 - b. Except for and excluding janitorial services and damage occasioned by Lessee or its employees, contractors, guests and invitees, Lessor shall keep and maintain the Property in good order, condition and repair, including every part and appurtenance thereof, including without limitation, the exterior and interior of all doors, door checks, windows, glass, walls, ceilings, floors, store front, fixtures, plumbing and sewage facilities within or connected with the Property including the free flow up to the main sewer line, heating and cooling systems, electrical systems and sprinkler systems.
 - c. Lessor shall further be responsible for (i) sweeping and snow removal on the sidewalk immediately in front of the Property and (ii) sweeping and snow removal immediately in front of any front and rear doors to the Property.
7. **Alterations, Additions and Improvements:**

- a. Lessee shall not make any alterations, additions or improvement to the Property without the written consent of Lessor, which consent shall not be unreasonably withheld, and then only upon the terms and conditions as may be reasonably imposed by Lessor along with any grant of approval.
 - b. Lessee agrees that all alterations, additions and improvements desired by Lessee shall be made at the expense of Lessee. Lessee shall not permit any mechanic's or material men's liens to be filed against or attach to the Property as a result of any work done by Lessee in the Property. If any lien is filed against or attaches to the Property, Lessee shall immediately notify Lessor in writing and Lessee shall cause such lien to be removed within sixty (60) days of notice thereof, or, if Lessee, in good faith, desires to contest such lien, Lessee shall be privileged to do so, and shall, in the event of judgment or foreclosure on such lien, cause the same to be discharged and removed prior to the execution of such judgment.
 - c. Lessee agrees that any approved construction will be performed in a neat and workmanlike manner and in compliance with plans and specifications previously submitted to and approved by Lessor. Lessee shall be responsible at its sole cost and expense for the removal of rubbish, refuse and dirt, and any damage, caused by Lessee's activities under this section.
8. **Ownership of Improvements.** Lessee agrees that any and all alterations, additions and improvements except for signs, shelving and moveable furniture, fixtures and equipment shall merge with and become a permanent part of the Property and any and all interest of Lessee shall vest in Lessor. At the termination of this Lease, Lessee shall be responsible for removing any signs, shelving and moveable furniture and equipment owned by Lessee from the Property and Lessee shall repair any damage caused by the removal of same.
9. **Signs.** Subject to applicable government ordinances, rules and regulations, Lessee may, at Lessee expense erect and maintain a sign or signs to carry out the purpose for which Lessee is leasing the Property, provided that the location, type and design of all exterior signs shall be first approved in writing by Lessor. Within ten (10) days of the expiration of this Lease, or any renewal or extension thereof, Lessee shall remove such sign or signs and shall repair any damages to the Property caused thereby at Lessee's expense.
10. **Inspection.** With at least twenty-four (24) hours prior notice by telephone, the Lessor or its officers, agents and representatives shall have the right to enter any and all parts of the Property during normal business hours (8 a.m. to 5:00 p.m.) or, in an emergency, at any hour to inspect the Property or clean or make repairs or alterations to the Property as the Lessor may deem necessary.
11. **Use of Property.** Lessee agrees that the Property shall be occupied and used solely for County business purposes. Lessee shall further occupy the Property, conduct its business and control its subtenants, agents, employees, invites and visitors in such a manner as is lawful, and will not create any nuisance.

12. **Compliance with Laws, Rules and Regulations.** Tenant agrees that during the Term, Lessee shall comply with all present and future federal, state and local laws, regulations, rules and ordinances affecting the Property.
13. **Condemnation.**
- a. If during the Term all or substantially all of the Property is permanently taken by condemnation or eminent domain or purchase in lieu thereof, and the taking would prevent or materially interfere with the use of the Property for the purpose for which they are being used, either party may terminate this Lease effective as of the day of physical possession by the condemning authority and rent shall be abated for the unexpired portion of this Lease.
 - b. If only a portion of the Property is taken and the Lessee elects not to terminate the Lease pursuant subparagraph (a) above, Lessor, in its sole and exclusive discretion and at its sole risk and expense, may restore and reconstruct the Property to make it reasonably tenantable and the rent shall be adjusted so the Lessee shall, for the remainder of the Term, pay that portion of the rent that the Property remaining after the taking bears to the whole of the Property before the taking.
14. **Destruction of or Damage to Property.** Lessee agrees that if at any time during the Term, or any extension or renewal thereof, the Property shall be totally or partially destroyed due to any cause whatsoever, upon Lessee's written notice to Lessor of such destruction, Lessor shall have the option to rebuild or repair the Property to such state of condition and repair as existed immediately prior to such destruction or damage, provided that rebuilding or repair shall be completed within One Hundred Eighty (180) days of Lessor's obtaining appropriate permits to commence repairs or construction. In such case, rental herein shall be abated or adjusted until the Property has been rebuilt or repaired. If, within thirty (30) days following receipt of Lessee's written notice of destruction or damage, Lessor elects not to rebuild or repair the Property, Lessor shall notify Lessee in writing, and thereupon this Lease shall terminate and become null and void. Lessor shall have no duty or obligation to rebuild or repair any furniture, fixtures, equipment or other personal property belonging to Lessee or used in Lessee's business. Notwithstanding the foregoing, if Lessee elects, upon destruction or damage to the property, Lessee may terminate this Lease with written notice to Lessor and all further obligations shall cease as of the date of Lessor's receipt of such notice.
15. **Assignment or Sublease.** This Lease shall not be an asset of Lessee and Lessee shall have no right to assign this Lease or sublet the Property without the Lessor's prior written consent. Consent to assignment or subletting shall be granted only if (i) Lessee is not in default of the Lease, and (ii) the entire Property is to be used for the same purpose or purposes as stated herein.
16. **Quiet Enjoyment.** Lessor has full right to execute and to perform this Lease and to grant the estate demised, and the Lessee, upon payment of the required rents and performing the terms, conditions, covenants and agreements contained in this Lease,

shall peaceably and quietly have, hold and enjoy the Property during the full Term. Lessee shall observe the rights of Lessor's other tenants to the quiet enjoyment of their leaseholds and shall not permit acts or omissions of any person or persons under Lessee's control which may interfere with such other Tenant's quiet enjoyment of the leaseholds.

17. **Default.** In the event that Lessee shall be in default of any payment of any rent or in the performance of any of the terms or conditions agreed to be kept and performed by the Lessee pursuant to this Lease, then in that event, Lessor may terminate and end this Lease, forthwith, consistent with Section 28, "Termination" below.
 - a. In the event either party shall bring legal action to enforce any of the terms of this Lease, each party shall pay for its own attorney's fees or costs incurred for such legal action.
 - b. The Lessee's liability to the Lessor for any breach of this Lease shall be limited to direct damages and shall not exceed the maximum amount of potential compensation specified in Section 2, "Compensation" of this Lease
18. **New Mexico Tort Claims Act.** No provision of this Agreement modifies or waives any sovereign immunity or limitations of liability enjoyed by the Lessee or its "public employees" at common law or under the New Mexico Tort Claims Act, NMSA 1978, Section 41-4-1, et seq.
19. **Holding Over.** In the event of holding over by Lessee after the expiration or termination of this Lease, the hold over shall be as a tenancy at will and all of the terms and provisions of the Lease shall be applicable during that period, except that Lessee shall pay Lessor as rental for the period of such hold over an amount equal to one and one-quarter (1.25) times the amount of the Monthly Rent payable for the Term. Lessee agrees to immediately vacate and deliver the Property to Lessor after expiration of the Term upon Lessee's receipt of notice from the Lessor to vacate. No holding over by Lessee, whether with or without consent of Lessor, shall operate to extend this Lease except as otherwise expressly provided herein.
20. **Rights of First Mortgagee.** Lessee and all of Lessee's subtenants or assigns accept this Lease subject and subordinate to the terms and provisions of any recorded real estate contract, mortgage or deed of trust lien presently existing or hereafter created upon the Property.
21. **Estoppel Certificates.** Lessee agrees to furnish promptly, from time to time, upon request of Lessor or Lessor's mortgagee, statements certifying, if applicable and correct, the Lessee and Lessee's subtenants are in possession of the Property; the Property is acceptable; the Lease and any subleases are in full force and effect; the Lease and any subleases are unmodified; Lessee and any subtenants claim no present charge, lien, or claim of offset against rent; the rent is paid for the current month, but is not prepaid for more than one month and will not be prepaid for more than one month in advance; there is no existing default by reason of some act or omission by

Lessee, any subtenant or Lessor; and such other matters as may be reasonably required by Lessor or Lessor's mortgagees.

- 22. Notices.** Each provision and requirement of this Lease Agreement or of any applicable governmental laws, ordinances, or regulations, for the giving of notice shall be deemed to be complied with when and if the following steps were taken:

- a.** All rent and other payments required to be made by the Lessee to the Lessor hereunder shall be payable to the Lessor at the following address or at such other address as the Lessor may specify from time to time by written notice delivered in accordance herewith:

Bokum Burro Alley, LLC
P.O. Box 2452
Santa Fe, NM 87504

- b.** All notices to the Lessee provided for in this Lease Agreement shall be sent to the Lessee at the following address:

Santa Fe County
Community Services Director
Attn: Joseph Gutierrez
P.O. Box 276
Santa Fe, NM 87504
(505)992-9862

- c.** Any notice or document required to be delivered hereunder shall be deemed to be delivered if actually received and whether or not received when deposited in the United States Mail postage prepaid, certified or registered mail (with or without return receipt requested) addressed to the parties hereto at the addresses set forth above or at such other address as either of said parties have theretofore specified by written notice delivered in accordance herewith.

- 23. Force Majeure.** Whenever a period of time is herein prescribed for action to be taken by Lessor or Lessee, neither Lessor nor Lessee shall be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to strikes, riots, acts of God, war, restrictive governmental laws or regulations or any other causes of any kind whatsoever which are beyond the control of the Lessor or Lessee.

- 24. Severability.** If any clause or provision of this Lease Agreement is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that event, the remainder of this Lease Agreement shall not be affected thereby, and that in lieu of each clause or provision of this Lease Agreement that is illegal, invalid or unenforceable, there be added as a part of this Property Lease Agreement a

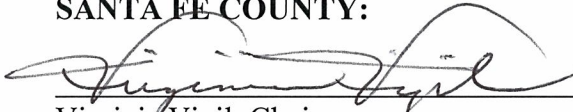
clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

25. **Amendments: Binding Effect.** This Lease Agreement may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of the Lease Agreement shall be deemed to have been waived by the Lessor unless such waiver be in writing signed by the Lessor and addressed to the Lessee, nor shall any custom or practice which might evolve between the parties in the administration of the terms hereof be construed to waive or lessen the right of the Lessor to insist upon the performance by the Lessee in strict accordance with the terms hereof. The terms and conditions contained in this Lease Agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.
26. **Choice of Law.** This Property Lease Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico. The parties agree that the exclusive forum for any litigation between them arising out of or related to this Agreement shall be federal and state district courts of New Mexico, located in Santa Fe County.
27. **Assigns.** All covenants, promises, conditions, representations and agreements herein contained shall be binding upon, apply and inure to the parties hereto and their respective heirs, executors, administrators, successors and assigns.
28. **Termination.** Lessee may elect to terminate this Lease without penalty provided Lessee gives Lessor at least one hundred and twenty days advance written notice of its intent to terminate. Upon termination of this Lease, Lessee shall quit and surrender possession of said Property quietly and peaceably. Lessee shall leave said Property free and clear of all nuisances and dangerous or defective conditions. Lessee shall execute and deliver all such documents and shall take all such actions as may be necessary or appropriate to sell, assign, and transfer to Lessor all Lessee's right, title and interest in and to the improvements to the Property.
29. **Exhibits and Attachments.** All exhibits referred to in this Lease Agreement are incorporated into this Lease Agreement and made a part hereof for all intents and purposes.
30. **Scope of Agreement: Merger.** This Lease Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such agreements, covenants and understandings have been merged into this written Agreement. No prior agreement, including the lease between the parties for the subject property effective January 2, 2008 and any amendments thereto, or other covenant or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Property Lease Agreement.

31. **County Commission Approval.** This Lease shall not be binding or effective until approved by the Santa Fe County Board of County Commissioners.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the date written above.

SANTA FE COUNTY:



Virginia Vigil, Chair

Santa Fe County Board of County Commissioners

Date _____

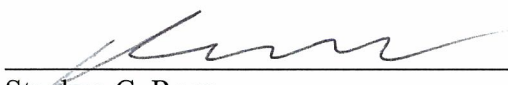
ATTEST:



Valerie Espinoza
Santa Fe County Clerk

2-15-11
Date

APPROVED AS TO FORM:

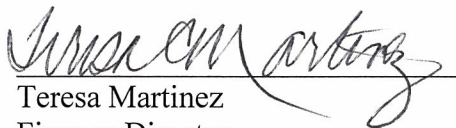


Stephen C. Ross
Santa Fe County Attorney

2-10-11
Date



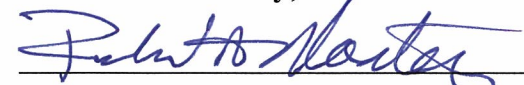
FINANCE DEPARTMENT:



Teresa Martinez
Finance Director

2/11/11
Date

Bokum/Burro Alley, LLC



By: Richard A. Montoya
(print name)

2/11/11
Date

By: Richard A. Montoya
(print name)

Its: President

(print title)

EXHIBIT

A

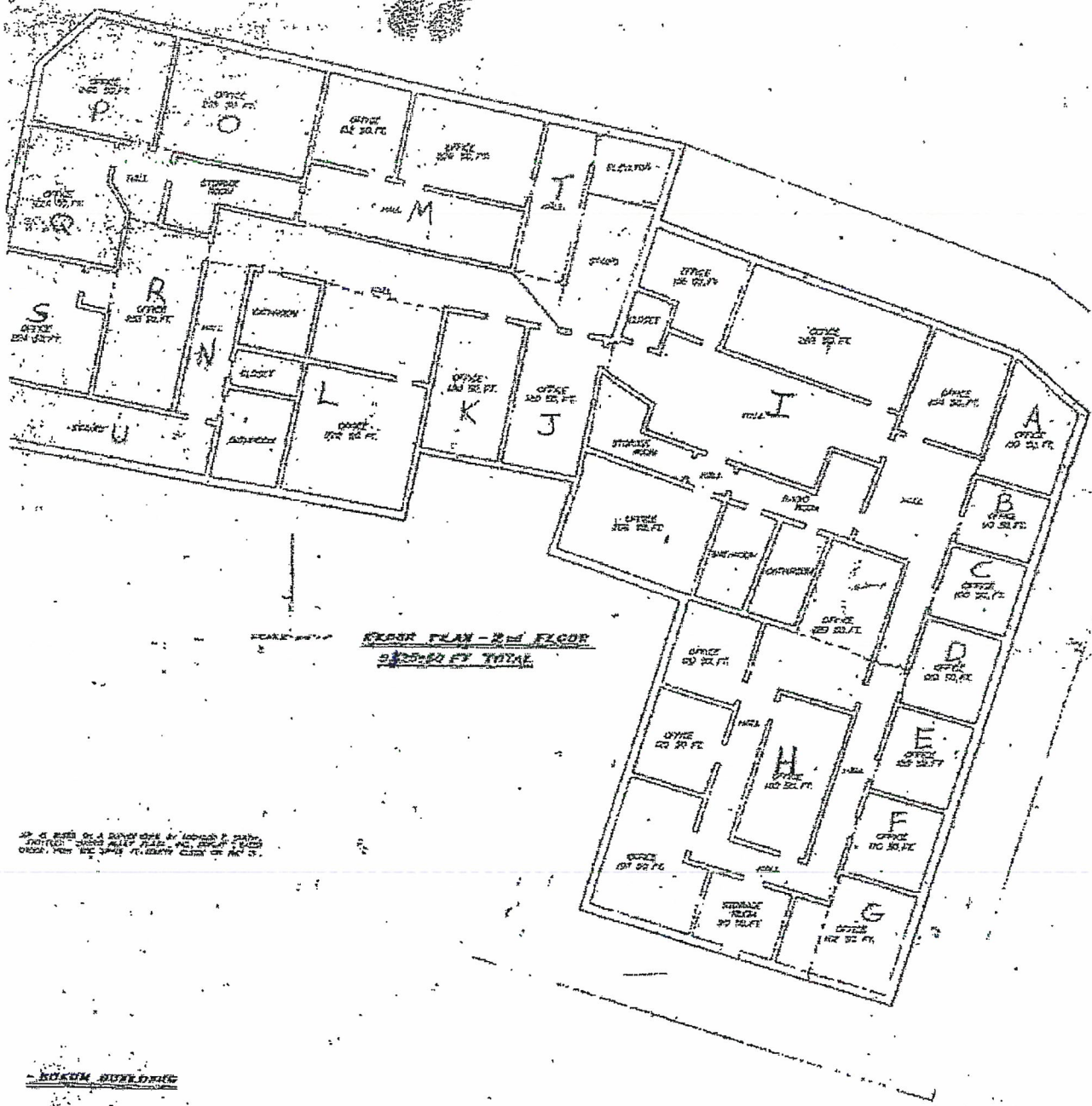
tabbles



674 SQ. FT. 1ST FLOOR

FLOOR PLAN - 1st FLOOR
SCALE: 1/8" =

300pm Joseph



ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 10-10-2001 BY 60322 UCBAW

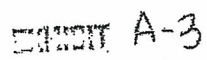
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Index A-Z

BOKUM BUILDING
142 W. PALACE AVENUE, CITY OF SANTA FE,
SANTA FE COUNTY, NEW MEXICO

1. 凡在本行開辦之各項業務，均應遵守本行所定之規章及各項辦法。

Figure 1



FLOUR PLAN - 3rd FLOOR
3,475 ± SQ. FT. TOTAL